

# PRODUCT GOVERNANCE AND FAIR VALUE ASSESSMENT



Carrier name	AXA
Product name	Royal
Class of Business	Home - Buildings & Contents
Date	17/01/2022
Our Status	Manufacturer

## Product information

Midas Royal Home Insurance is a mid-net-worth product that caters for higher sums insured and offers cover for loss or damage to buildings and contents in the home. Contents are also covered anywhere in the world.

The product also caters for High Profile Occupations and difficult to place people who have factors such as bankruptcy and criminal convictions.

## Target market

We seek to attract niche Household risks and those with high sums insured under this product which provides cover for loss or damage to buildings and for contents in the home and anywhere in the world. We will consider policies with the following risk factors:

### Property Factors

- Business use from the home.
- Non-standard property types, e.g. chapel conversion, lighthouse, barn conversions.
- Non-standard construction, e.g. 100% flat roof, cob construction.
- High risk postcode areas.
- Properties suffering from previous subsidence.
- Extended unoccupancy.
- Unoccupied properties.
- Building works.
- Holiday homes (own use and commercial).
- Let properties (let to family and professionals only).
- Lodgers
- Listed properties/properties constructed pre 1850.

### People Factors

- High profile occupations.(sports and personalities)
- Adverse previous claims history
- Bankruptcy/CCJ's
- Adverse previous insurance, e.g. cover cancelled/refused/terms applied.
- Proposer/co-occupants unspent criminal convictions.

## Are there any groups of customers for whom this product would be unsuitable or would not provide the intended level of value?

Those with a rebuild of less than £250,000 and contents less than £75,000.

Also not suitable for: -

- let properties included B&B and air BNB
- thatch properties
- park homes, holiday homes (outside the UK)
- commercial properties
- sub-let properties, bedsits.

## Other information which may be relevant to distributors

This product has been subject to our Product Governance process and has been reviewed and signed off by our Product Governance Committee as representing fair value to customers. Various MI metrics were used in this process including:

- Cancellation data
- Claims and complaints volumes
- Declinature rates
- Loss ratios
- Wordings review
- Breaches of Lloyd's/FCA benchmarks and tolerances
- Root cause analysis

Date Fair Value Assessment completed	17/01/2022
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All intermediaries who distribute our products are reminded of their regulatory responsibilities to assess fair value to customers where separate fees are charged and/or premium finance is arranged. This also applies where an add-on product (not manufactured by us) is sold alongside the core product. Commission, fees or charges passed onto the customer must be proportionate to the service provided and provide fair value. We may from time to time request additional management information from our distributors to support the fair value assessment process.